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C O N F I D E N T I A L SECTION 01 OF 03 BERLIN 000137

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TAGS: [PGOV](#) [PREL](#) [GM](#)
SUBJECT: EMERGING 5-PARTY LANDSCAPE COULD YIELD FRAGILE
COALITIONS

REF: A. BERLIN 0022

[1](#)B. FRANKFURT 0265

[1](#)C. HAMBURG 0003

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Classified By: Deputy Chief of Mission John Koenig for Reasons 1.4 (b)
and (d)

Summary

[1](#)1. (C) Key state elections in Germany indicate an emerging 5-party political landscape, bringing with it increasing complexity in the formation of fragile coalitions. A possible result could be continuation of a national Grand Coalition after 2009. Both the Christian Democrats (CDU) and the Social Democrats (SPD) have reason for concern after the Hesse and Lower Saxony state elections. The "tie" in Hesse, despite the CDU's comfortable victory in Lower Saxony, is a major setback for Chancellor Angela Merkel's conservatives, who held a sizable lead there only weeks ago and expected to proceed to a dominant sweep of the trio of early-2008 elections (including Hamburg February 24) and thereby claim a political mandate. The poor CDU showing in Hesse is largely attributable to Minister-President Roland Koch's backfired campaign against juvenile criminality, particularly against offenders with immigrant backgrounds.

[1](#)2. (C) The SPD failed to gain significant traction from its left-leaning emphasis on economic populism. Indeed, the SPD's worst post-WWII electoral result in Lower Saxony suggests that its better-than-expected performance in Hesse was largely due to rebellion against Koch rather than affirmation of SPD policies. Also, the SPD lost enough votes to the Left Party to allow the Left Party to enter both the Hesse and Lower Saxony parliaments. Indeed, the only real winners in Hesse and Lower Saxony are the Left Party and the Free Democrats (FDP): The Left Party is now becoming a fixture in the national political landscape, while the FDP gained votes from conservatives who disapproved of Koch's harsh campaign. Greens co-Chairman Reinhard Buetikofer told the DCM, however, that the Left Party will only become a viable potential coalition partner "if it becomes more realistic and capable of governing," an ironic echo of pundits' criticism of the Greens in their early days. Party leaders will likely wait for Hamburg election results before proceeding in earnest with coalition-building in Hesse. End summary.

Left Entry Produces 5-Party Landscape

13. (C) Debate has intensified as to whether Germany is moving to the left. Evidence in favor includes the entry of the Left Party into two more western German parliaments as well as popular recent proposals to extend unemployment benefits and implement minimum wages. Evidence against includes the SPD's weak result in Lower Saxony; continued (but more cautious) SPD support for the free market-oriented Agenda 2010 labor reforms; the CDU majority in the Federal Council (Bundesrat); and the very high and broad-based popularity of the Chancellor.

14. (C) Although this question has not been settled by the recent state election results, another shift in the political landscape appears certain: the emergence of a national political spectrum with five major parties. This more fractured spectrum will make coalition-building along clear ideological lines more complicated. Barring a future groundswell of support for the CDU or SPD that could tilt the spectrum to the right or left -- not yet seen, as the spectrum remains roughly evenly divided between right and left-leaning parties -- the possibility of unwieldy three-party coalitions will have to be taken more seriously. This development has potentially significant consequences, since small parties could increasingly occupy federal ministries in the future and thereby exercise broad policy autonomy. On the other hand, the difficulty of forming such triangular relationships could lead the CDU and SPD towards more grand coalitions.

Turmoil within the CDU

15. (C) Many within the CDU blame Koch for the party's poor result in Hesse. On January 31, the weekly "Die Zeit" published an open letter signed by 17 prominent CDU politicians calling for a bipartisan integration policy approach reached through public consensus. This is being

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viewed as a clear effort by the CDU to distance itself from Koch and address the damage done by his election campaign. No doubt, the blame is deserved -- Koch choose to rally his conservative base by conducting a cynical, controversial, and strident campaign that has been described by some as "xenophobic" when he was already comfortably ahead in the polls. As a result, Koch's career is now badly damaged and his prospects for the chancellorship or a federal ministry appear dimmer. Koch's decline benefits Merkel, in one sense, in that she now has one fewer rival to contend with. But it also weakens the CDU because it leaves the party without a strong conservative able to rally the party's conservative base. The Union will search for another leader to assume this role -- perhaps Federal Interior Minister Wolfgang Schauble. The prospects for Lower Saxony's Christian Wulff, also a chancellor hopeful, appear to have risen.

16. (C) The CDU's poor showing in Hesse could energize its competitors and lead to further domestic partisanship, thereby complicating Merkel's goal of solidifying the political center for the CDU in advance of the 2009 national elections. At the same time, the success of CDU Minister-President Christian Wulff's relatively low-key, centrist re-election campaign in Lower Saxony has been seen as a vindication of Merkel's middle-of-the-road domestic political strategy.

17. (C) A well-placed staffer at CDU headquarters confirmed to Poloff that the CDU does not view the Hesse results as cause for a major ideological shift. Rather, the Union will likely write off the result as a mistake by Koch, distance itself from polarizing issues, and continue to pursue a CDU/FDP majority, along with the Christian Social Union (CSU) on the federal level, a task made harder in a five party spectrum. However, the CDU might have to broaden its options and more seriously consider a federal coalition including the FDP and

Greens (the "Jamaica" coalition).

Not a Win for the SPD, Either

¶8. (C) Claims of a leftward shift in German politics have more to do with the establishment of the Left Party than the success of the SPD. SPD supporters who are elated by Koch's humiliation must wrestle with the fact that the party failed to make substantial gains with its minimum wage campaign and failed to keep the Left party from entering the Hesse and Lower Saxony parliaments. Regarding coalition-building in Hesse, the SPD is angling for a "traffic light" coalition with the Greens and the FDP because the SPD national and Hesse leadership firmly reject proposed coalitions involving or "tolerated" by the Left party. (Note: Many in the SPD consider western Left Party politicians to be politically incompetent Marxist ideologues. End note.) The FDP leadership, however, firmly rules out such a constellation, preferring instead to hold out for a possible partnership with the CDU on the national level. Parliamentarian Markus Loening (FDP), however, told Poloff that the FDP "should be open to a variety of options."

Looking Forward to Hamburg

¶9. (C) While Lower Saxony will continue with a CDU/FDP coalition, in Hesse, the outlook is much less clear. CDU Federal-State Campaign Coordinator Oliver Roeseler told Poloff that there will be no coalition decisions for Hesse before the February 24 Hamburg elections, since the "FDP doesn't want to enter into any coalition negotiations now out of fear of how this could affect its voter base in Hamburg." Hans-Ulrich Klose (SPD), Deputy Chairman of the Foreign Affairs Committee, told the DCM that the SPD in Hesse should consider remaining in the opposition, in order to better "deal with (the problem of) the Left Party." Still, there will be increased discussion of unwieldy three-party or grand coalitions, both on the state and national levels, born not out of desire, but of necessity. In the meantime, the current Hesse CDU government will continue until at least April 5 when the State parliament will meet to consider the formation of a new government.

Continuation of Pro-U.S. Leadership

¶10. (C) Heinrich Kreft, a senior foreign policy advisor to Eckart von Klaeden (CDU Foreign Policy Spokesman), indicated to Poloff that, regardless of possible shifts in public opinion, the CDU and Merkel will remain committed to their

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pro-U.S. posture. If the Hesse results turn out to be an anomaly and the German public continues its current strong nationwide support for both the CDU and FDP, then Merkel and her party could realistically hope to work towards building a majority on this basis on the federal level. However, if the public paints the CDU with Koch's caustic brush, then hopes for an eventual CDU/CSU/FDP partnership could fade. There is reason for the CDU/CSU to remain optimistic. The most recent nationwide Forsa poll -- covering the period immediately after the state elections -- suggests that that CDU has maintained its 10 percent lead over the SPD nationwide, meaning that a federal CDU/CSU/FDP coalition may still be within reach.

¶11. (U) This message was coordinated with CG Frankfurt and CG Hamburg.
TIMKEN JR